

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities
Office of the Commissioner

TO: All Commissioners

DATE: June 28, 2004

TELEPHONE NO: 465-3901

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FAX NUMBER: 586-8365

FROM: Mike Barton *mk*
Commissioner

SUBJECT: SEF Vehicle Moratorium

We have been asked by Jim Clark to institute additional cost saving measures in the operation of the State of Alaska vehicle fleet. The cost of replacing vehicles is the largest single expense in running the fleet. The Lean Enterprise Team (see my June 25th memo) has determined that to reduce this expenditure a moratorium on the addition or replacement of executive branch vehicles will be in effect for FY2005. This action will delay the purchase of approximately 211 vehicles worth \$6.0 million. The moratorium will not affect vehicles that are already on order.

It is in the State's interests to exempt the following vehicles from the moratorium:

- Vehicles specifically authorized by an appropriation.
- Vehicles funded by the Airport Improvement Program.
- Vehicles that are specifically included in other federal grants.
- Replacement of light duty vehicles that exceed at least one of the following parameters:
 - 100,000 miles.
 - Maintenance costs in excess of the vehicle's original capital cost.
 - 15 years old.
- Replacement of heavy duty vehicles that exceed at least one of the following parameters:
 - 10,000 hours (150,000 miles if the usage is measured in miles).
 - Maintenance costs in excess of the vehicle's original capital cost.
 - 25 years old.
- Vehicles "totaled" in accidents.
- Vehicles whose exterior or mechanical condition makes their repair not cost effective.
- Vehicles with expiring leases.
- Vehicles that are needed to prevent the loss of life, injury to any person or the environment, accidents or damage to property, terrorist attack, or fire.

Please forward requests for any other exceptions.

"Providing for the movement of people and goods and the delivery of state services."

June 28, 2004

Thank you for your assistance. If you have any questions, please contact Frank Richards, DOT&PF Statewide Maintenance and Operations Engineer at 465-3906.

cc: Jim Clark, Chief of Staff, Office of the Governor
John MacKinnon, Deputy Commissioner, Highways & Public Facilities, DOT&PF
Nancy Slagle, Director, Division of Administrative Services, DOT&PF
Frank Richards, Statewide M&O Engineer, Office of the Commissioner, DOT&PF
Gene Darling, Manager, State Equipment Fleet
Gary Paxton, Southeast Regional Director
Gordon Keith, Central Regional Director
Andrew Niemiec, Northern Regional Director